

division of housing development



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Housing Stabilization Fund *Fact Sheet*

The Housing Stabilization Fund (HSF) was created by Chapter 494 of the Acts of 1993 and further amended and funded by Chapter 257 of the Acts of 1998 and by Chapter 244 of the Acts of 2002 to support comprehensive neighborhood redevelopment efforts, and to help developers and municipalities acquire, preserve and rehabilitate affordable housing. The Legislature placed a special emphasis on reusing foreclosed and distressed properties and on creating affordable homeownership opportunities.

How it works

There are two subprograms within HSF:

1. *The Housing Stabilization Fund (HSF) Program* — HSF funds are set aside to support the acquisition, rehabilitation and reuse of distressed, foreclosed or abandoned properties as affordable homeownership and rental housing. New construction is permitted under certain circumstances.
2. *The SoftSecond Loan Program* — A portion of HSF funds are set aside for use with the SoftSecond Loan program, which creates homeownership opportunities for first-time homebuyers by subsidizing mortgages, or providing down payment or closing cost assistance.

Who is eligible

The HSF Program — For-profit developers; non-profit developers, and municipalities in cooperation with any of the aforementioned entities.

Soft Second Loan Program — Municipalities in partnership with lending institutions.

Application process

The HSF Program — Applicants may seek HSF Program funds either as a single public source or in combination with other public funds, such as
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Low-Income Housing Tax Credits, Community Development Block Grant Funds, local HOME funds, etc. Each application must be signed by the chief elected local official. Minimum project size is five HSF assisted units.

Soft Second Loan Program — When funding becomes available, DHCD issues a notice to chief elected officials throughout the state. Interested communities can respond to the notice with a letter of interest describing the following: local lenders willing to participate in the program; local resources committed to the program; program description prepared to notify local residents; general readiness to implement the program. DHCD will provide interested applicants with descriptions of model ownership assistance programs and model loan documents.

**Loan
amounts**

The HSF Program — Maximum funding per application is \$750,000. Maximum amount per unit is \$50,000 in HOME Entitlement or HOME Consortium communities and \$65,000 in non-entitlement or non-consortium communities. Projects located in HOME Entitlement or HOME Consortium communities should include a commitment of local funds.

Soft Second Loan Program — Maximum award per community is \$300,000.

**For further
information**

Please call the Division of Housing Development at (617) 573-1320.